



## **MEMORANDUM ORDER NO. 2012-13**

### **CLASSIFYING THE FREEPORT SERVICE CORPORATION (FSC) AS EXCLUDED FROM THE COVERAGE OF REPUBLIC ACT NO. 10149**

**WHEREAS**, the Freeport Service Corporation (FSC) was organized and incorporated by the Subic Bay Metropolitan Authority (SBMA), pursuant to Batasang Pambansa Bilang 68 or the Corporation Code;

**WHEREAS**, FSC is a stock GOCC registered in the Securities and Exchange Commission and is a wholly owned subsidiary of the SBMA;

**WHEREAS**, the SBMA is an Economic Zone Authority (EZA), which is tasked to manage, oversee, develop and operate the Subic Special Economic Zone (SSEZ), pursuant to Republic Act (R.A.) No. 7227 or the Bases Conversion Act of 1992, and as implemented by Executive Order (E.O.) No. 62, s. 1993 and E.O. No. 340, s. 2004;

**WHEREAS**, Section 4 of R.A. No. 10149 provides that the jurisdiction of the Governance Commission for GOCCs (GCG) shall cover "all GOCCs, GICPs/GCEs, and government financial institutions, including their subsidiaries, but excluding the Bangko Sentral ng Pilipinas, state universities and colleges, cooperatives, local water districts, economic zone authorities and research institutions;"

**WHEREAS**, Section 5(a) of R.A. No. 10149 or the GOCC Governance Act of 2011, empowers the GCG to "[E]valuate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized in consultation with the department or agency to which a GOCC is attached;"

**WHEREAS**, Section 5(b) of R.A. No. 10149, empowers the GCG to "Classify GOCCs into: (1) Developmental/Social Corporations; (2) Proprietary Commercial Corporations; (3) Government Financial, Investment and Trust Institutions; (4) Corporations with Regulatory Functions; and (5) Others as may be classified by the GCG, without prejudice to further subclassifications in each category and/or any other classification based on parameters as it may find relevant or material such as, but not limited to, industry type. The classification shall guide the GCG in exercising its powers and functions as provided herein;"

**NOW, BE IT –**

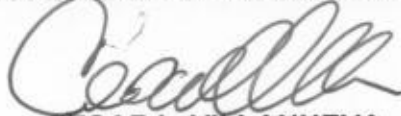
**RESOLVED**, that FSC shall be classified as a GOCC excluded from the coverage of RA No. 10149.

**RESOLVED FURTHER**, the above stated classification of FSC shall be subject to reclassification, pending any change in the situation and/or circumstances

of the corporation, such as when FSC is transferred to another Supervising Agency or when SBMA is reclassified and is no longer an EZA, which would then bring FSC back within the coverage of R.A. No. 10149.

**DONE**, in the City of Manila, this 26<sup>th</sup> day of September in the year of our Lord, Two Thousand Twelve.

**BY AUTHORITY OF THE COMMISSION:**



**CESAR L. VILLANUEVA**

*Chairman*



**MA. ANGELA E. IGNACIO**  
*Commissioner*



**RAINIER B. BUTALID**  
*Commissioner*